Year End 2007

Economic Update February 2008

Demographics

Over the last census period (2001–2006) the population of the City of St. John's increased by 1.5% to 100,646. The population of the St. John's metro area is estimated to have grown by 0.4% in 2007 and now stands at 184,194. The median age of the population in the metro area in 2006 was 38.4 and 83.8% were aged 15 and over. There were 75,860 private dwellings in the St. John's metro area.

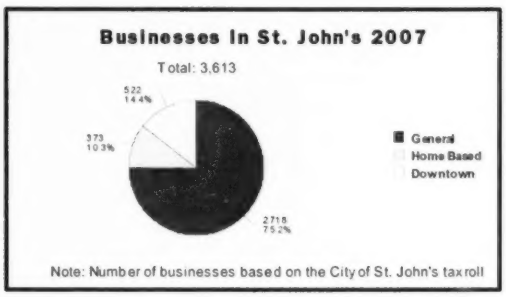
Economy

The St. John's metro area economy is estimated to have grown by 9.7% in 2007, slightly faster than provincial growth of 8.9%. Gross Domestic Product (GDP) reached approximately $9.2 billion, led primarily by advances in oil production. Other metro area economic indicators are as follows:

- **Retail trade increased by 9.2% to $2.74 billion in 2007**
- **The Consumer Price Index/inflation rate increased by 1.6% to 110.7 in 2007**
- **Personal income increased by 4.6% to $6.03 billion in 2007**
- **St. John's metro posted a five-year (2002–2006) productivity growth rate of 2.6% topping all other metro areas in Canada**

Business

The City of St. John's approved 159 new businesses in 2007, approximately one third of these were home based.



Labour Market

The St. John's metro area labour force was essentially unchanged at 101,500 in 2007. The unemployment rate declined by 1.2 percentage points to 6.9%, the lowest unemployment rate in the metro region in over 30 years.

Labour Force Characteristics
St. John's Metro (population 15 years and older)

	2006	2007	%Chg
Employment	93,400	94,500	1.2%
Labour Force	101,600	101,500	-0.1%
Unemployment Rate	8.1%	6.9%	-1.2pt
Employment Rate	61.7%	62.2%	0.5pt
Participation Rate	67.1%	66.8%	-0.3pt

Real Estate

Housing starts increased by 16.1% (or 205 units) in the metro area to 1,480 starts in 2007. The value of residential permits in the City of St. John's increased by over 52% to $159.6 million. The residential rental market tightened up in 2007 with a decrease of 2.9% in the overall vacancy rate to 2.6% in the metro area. The benchmark price of a bungalow in St. John's East increased by $1,000 to $171,000 and in St. John's West the benchmark price of a bungalow increased by $10,000 to $175,000.

The overall vacancy rate for office space in the St. John's metro area decreased by 2.93% in the fourth quarter of December to 3.06% over the fourth quarter in 2006.

Year End Review 2007

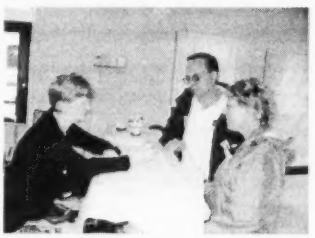
Major Projects

(>$790,000)	$ millions
Crumbier Developments, 30 Kenmount Rd.	.79
Nfld Liquor Corp., 10 Elizabeth Ave.,	.82
Action Fibreglass, 615 Kenmount Rd	.91
Swiler's Rugby Club, 100 Crosbie Rd	.93
Matthews VW/Audi, Kenmount Rd	1.20
Avalon Mall, Kenmount Rd	1.23
St. John's Port Authority, Water St	1.28
Townhouses, 45–47 Duckworth St.	1.40
Shoppers Drug Mart, 244 Lemarchant Rd.	1.40
Bowring Park, Waterford Bridge Rd	1.40
Anna Templeton Centre, Duckworth St.	1.50
Eastern Health, 81 Kenmount Rd.,	1.80
Roosevelt Properties, 59 Roosevelt Ave	2.70
Newfoundland Museum, Duckworth St	2.70
Pentecostal Assemblies, 565 Kenmount Rd.	2.80
Memorial University, Elizabeth Ave.	3.82
Public Works-Govt NL, White Hills	3.79
NL Sports Centre, 100 Crosbie Rd.	5.60
Kenny's Pond Retirement, 135 MacDonald Dr.	13.50
Apartment Bldg., 50 Tiffany Lane	23.00
Total	**$72.57**

City Building Permits

Type	2006	2007
Commercial Industrial	57,819,000	43,878,000
Govt/ Institutional	79,488,000	17,987,000
Residential	104,712,000	159,631,000
Total	**$242,019,000**	**$221,496,000**

Tourism



The accommodation sector in St. John's recorded its best year in history, with 540,251 room nights sold in 2007, up 7.2% or 36,000 room nights from 2006. The 2007 average occupancy rate was 64.6%, up 4 percentage points from the previous year. The increase in rooms sold is attributable to the 25% growth in the meeting and conventions market as well as a strong year for the tour and leisure market. There continues to be interest in the hotel sector, with four applications currently on file at the City of St. John's for additional hotels.

The Water Street Visitor Information Centre serviced 16,931 visitors in 2007, up 30.8% over 2006. The majority (82.4%) were out of province visitors and July was the busiest month. In addition, the tourism web page on the City of St. John's website recorded 122,111 visits in 2007.

The number of airline passenger movements at St. John's International Airport declined 4.6% to 1,185,302 in 2007.

In June of 2007 St. John's was host to CTV's morning show – Canada AM. The national broadcasts gave Canadians an up-close look at the spectacular scenery and the rich cultural heritage of St. John's providing invaluable advertising for the local region. In November, for the tenth consecutive year, a group of 200 Icelanders visited St. John's for a shopping and get away weekend generating approximately $350,000 for the local economy.

Sources of information: CMHC, City of St. John's, Dept. of Finance: Govt of NL, and Statistics Canada.

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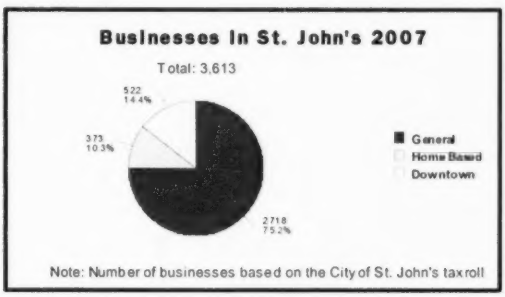

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